

**SPEECH BY SENIOR MINISTER OF STATE FOR LAW AND EDUCATION,
MS INDRANEE RAJAH, AT THE OPENING CEREMONY OF THE SINGAPORE
INTERNATIONAL ARBITRATION CENTRE'S MUMBAI OFFICE,
ON 27 APRIL 2013 (SATURDAY), 10.20AM,
AT THE BALLROOM, TAJ MAHAL PALACE, MUMBAI, INDIA**

The Honourable Chief Justice of Bombay High Court Mr Mohit S Shah,
The Honourable Judge of Appeal of Supreme Court of Singapore Justice V K Rajah,
Prof Michael Pryles, President of SIAC Court of Arbitration,
Distinguished guests,
Ladies and gentlemen,

I. INTRODUCTION

1. It gives me great pleasure to be here today. Not least because I see among the audience former colleagues, fellow members of the Bar, former clients and of course, members of a very august legal fraternity in India. I am also pleased to be here today to support the SIAC's latest initiative, which is to officially launch the Singapore International Arbitration Centre (SIAC)'s Mumbai office.
2. Why Mumbai, you may ask. I think they thought it fit to open an overseas office here because India's economy is one of the fastest growing economies in the world.
3. Mumbai is the commercial heart of India. The Reserve Bank of India, the Bombay Stock Exchange, the National Stock Exchange of India, the Securities and Exchange Board of India and the corporate headquarters of numerous Indian companies and multinational corporations are all located here. Bollywood has its home here as well.
4. India is, and will continue to be, an extremely important contributor to the world economy, and Mumbai is right at the heart of it. And that is why SIAC wants to be here.

II. SINGAPORE - INDIA RELATIONS

5. Let me just say a few words on Singapore and India relations. Singapore and India share a unique common legal heritage and thus similar legal systems.
6. The India-Singapore partnership has blossomed in the past few decades. Both countries share excellent political, economic and cultural ties.
7. With the signing of the Comprehensive Economic Cooperation Agreement (CECA) in 2005, Singapore and India have grown ever closer. In 2012, India was Singapore's 10th largest trading partner and our 12th largest export destination.

8. Indian companies now form the largest foreign corporate contingent in Singapore with more than 5,000 registered Indian companies in Singapore. World-renowned businesses like the Tata Group, leading technologies companies like Infosys and a large number of small and medium enterprise owners have made Singapore their springboard to enter new markets in the rest of Asia. Singapore companies such as Ascendas, First Engineering and YCH Group, have an active presence in India. Ascendas, whose flagship projects include the Singapore Science Park, has more than 10 years of experience in developing and managing industrial facilities in India. First Engineering has established itself as a supplier of ultra-precise plastic moulds and components to consumer electronics and automotive manufacturers in India, whilst YCH Group is now providing third-party logistics services to manufacturers such as Dell in 53 Indian cities.
9. So you can see with this is the kind of interaction, the close links in business. India is not only a friend of Singapore but an important business partner, and we share a vision of economic growth and stability in Asia.

III. ARBITRATION IN INDIA

10. Just a few words on arbitration in India. As an important market in Asia, India will continue to see robust growth in the economy and an increase in the number of cross-border commercial transactions. But of course, as any lawyer knows, with the increase in trade and transactions there will also be an increase in disputes. And you have to find a way to resolve them. There is a need for alternative dispute resolution methods which are aligned with international practices, and arbitration is one of those.
11. In this regard, arbitration in India has progressed noticeably in the last decade, after the enactment of your Arbitration and Conciliation Act 1996, which is based on the UNICTRAL¹ Model Law for international commercial disputes. India is also a party to the New York Convention, which allows arbitral awards to be enforced by Courts around the world.

IV. SINGAPORE AND ARBITRATION

12. Arbitration in Singapore has also grown significantly in recent years. Perhaps I can just share with you a little of how the arbitration scene came to grow and flourish in Singapore. It goes back to the year 2002 when the government launched the remaking of Singapore. It had various aspects. There was the economic aspect and there were the soft issues like housing and social matters. Under the economic aspect, you have the economic restructuring committee and this was divided into different industry sectors. One of those sectors was the legal practice and industry, and for that sector the legal working group was set up to look at how to grow the legal sector and industry in Singapore. That legal working group committee was chaired by Mr Shanmugam, now our Minister of Law but at that time a lawyer in practice. I was fortunate enough to be on that legal working group as well.

¹ United Nations Commission on International Trade Law

13. One of the recommendations we made at that time was to grow arbitration as an area of practice, and the thinking behind it was that it ought not to be a cannibalisation of litigation or to take away work that is being done in the litigation arena but to provide an additional area of growth where lawyers and practitioners can see new developments, new growth and new opportunities. So that was the essential thinking behind it and then the question was how to achieve this. One of the most important things was to recognise that arbitration by its nature was neutral and it has its roots in businessmen finding ways to resolve their own disputes. So it was moved away from the courts and it was put under the auspices of the Singapore Business Federation so it would be much more of a ground up business oriented commercially driven mode of dispute resolution. Then we had to think of what kind of framework do we put in place for all this to flourish. The most important thing was the legislative framework.
14. Our legislative framework is supportive of arbitration. Arbitration is supported throughout its various stages, from the agreement to arbitrate, through the arbitration process and to the enforcement of arbitral awards. Like India, Singapore adopted UNCITRAL's Model Law on international commercial arbitration.
15. We are also very grateful that the Singapore Courts are extremely supportive of arbitration and the finality of the arbitral award. I can say quite firmly that was not always the case. Back in the 1980s, arbitration was viewed with some suspicion and a little degree of hostility. But that has changed much in the past few decades. And I think our courts too have seen that arbitration is a very useful mode of dispute resolution and their approach and attitude to arbitration has been very open and very enlightened.
16. I don't usually refer to cases to an audience but this particular audience obviously is a professional audience so I've taken the liberty of making references to two cases.
17. The Singapore Court of Appeal case of Tjong Very Sumito v. Antig Investment in 2009, where the courts stated that "...an unequivocal judicial policy of facilitating and promoting arbitration has firmly taken root in Singapore". So our Courts have adopted a broad and practical view when interpreting arbitration clauses in commercial contracts.
18. In the construction of arbitration clauses, the 2011 Singapore Court of Appeal case of Larsen Oil and Gas Pte Ltd v. Petropod Ltd held that such clauses should be generously construed such that all manner of claims, whether common law or statutory, should fall within their scope unless there are good reasons to conclude otherwise.
19. So this support from the courts has been extremely helpful in allowing arbitration to grow and to flourish in Singapore. We also make sure that there is regular review of the law. It is important to regularly review our laws and seek views from the legal fraternity, because we want to ensure that these are aligned with international best practices. The Singapore International

Arbitration Act is regularly reviewed and updated to ensure that it continues to be effective, relevant and supports international arbitration. In recent years, it has been amended twice; once in 2009 and again in 2012.

20. We also have a completely open regime for international commercial arbitration. Parties engaging in arbitration in Singapore have the freedom to engage lawyers of any nationality and to use any governing law. This again was not always the case. Initially, foreign lawyers could not do arbitration in Singapore and then we had the provision where they had to do it with Singapore co-counsel and then we moved to the position where they could arbitrate freely. And that allowed the arbitration scheme to really take off. We also have Work Pass Exemption schemes for arbitration and mediation services, which allow foreigners to enter Singapore to carry out arbitration and mediation services without a Work Pass. So it shouldn't be a problem for Indian counsel and Indian arbitrators to come to Singapore to do arbitration.
21. Income earned by foreign arbitrators is exempted from tax, and we have tax incentives for international arbitration work and offshore work done by law firms in Singapore.
22. Another important initiative that Singapore undertook was the establishment of Maxwell Chambers. It is a state-of-the-art, integrated dispute resolution facility that was officially opened in January 2010. Between 2010 and 2012, more than 350 international arbitration cases took place in Maxwell Chambers.
23. All these have contributed to Singapore being a choice seat of arbitration, alongside London, New York, Paris and Geneva.

V. SIAC AND ITS PRESENCE IN INDIA

24. And now a few words about SIAC and its presence in India. SIAC is Singapore's flagship international arbitration institution, and it has steadily built itself up as a trusted provider of arbitration services over the years.
25. The number of new cases handled by the SIAC rose from 99 in 2008 to 235 in 2012; and SIAC also achieved a record-high figure of S\$3.61 billion in terms of the total sum of disputes arbitrated, which far surpasses the combined amounts from 2010 and 2011 (S\$2.67 billion) put together.
26. SIAC constantly reviews its Rules and processes to reflect progressive commercial arbitral practices.
27. Statistics have shown that SIAC is the most popular choice for Indian parties when it comes to arbitration. From 2009 to 2011, the highest number of filings for new cases referred to SIAC was generated by India². The number of such cases has grown nearly two-fold from 24 in 2009 to 49 in 2012. In 2012, the

² SIAC Annual Report 2011

highest number of filings was generated by mainland Chinese parties, with India a very close second³.

28. Indian firms and lawyers are regularly involved in arbitration cases in Singapore, and many Indian law firms now have offices in Singapore. Indian arbitrators are very popular and both SIAC and parties appoint them regularly.

VI. SIAC INDIA

29. Even before the establishment of this office in Mumbai, SIAC has been actively involved in the arbitration scene in India. And it has been active in having roundtable discussions, seminars and training sessions for lawyers and corporate counsel in India.
30. SIAC is also active in university programmes. The SIAC has worked with the National Law School of India (Bangalore), the National Law University in New Delhi and the Indian Institute of Management in Ahmedabad.
31. It is hoped that SIAC's presence in Mumbai, the financial heart of India and her most populous city, will help to facilitate the growth of your alternative dispute resolution sector. SIAC is committed to increasing awareness and promoting the understanding of international best practices in arbitration through its new Mumbai office.

VII. CONCLUSION

32. So in conclusion, as India's economy expands and your companies venture overseas, international arbitration will continue to grow.
33. On the Singapore side, we have made better efforts to develop Singapore as a venue for international arbitration. We hope that your companies, your counsel and your arbitrators will see Singapore as a choice venue for arbitration and you are very welcome to come, and we hope that we will be able to support your dispute resolution. And of course, SIAC on the ground here is well positioned and in place to assist in that connection.
34. On this note, thank you and I wish SIAC and guests all the best for the rest of your programme. I hope there will be a lot of networking, the ability to find new opportunities and I hope all of you will be able to take advantage of the growth of the international arbitration sector for mutual benefit. Thank you very much.

³ SIAC Annual Report 2012. In 2012, China generated 44 filings, whereas India generated 42 filings.